(Rs. in crores)

Name of the Organisation		Actuals 1994-95		Revised Estimates 1995-96		1996-97	
		Outlay	Bud. Support	Outlay	Bud. Suppoit	Outlay	Bud. Suppoit
	Ltd.						
7	MSTC Limited	0.00	0.00	0.00	0.00	15.35	0.00
8.	Ferro Scrap Nigam Ltd.	2.77	0.00	2.59	0.00	15.62	0.00
9.	National Mineral Dev. Corpn.	46.81	0.00	38.31	0.00	138.15	0.00
10.	Kudremukh Iron Ore Co. Ltd.	118.98	0.00	98.81	0.00	180.10	0.00
11.	Manganese Ore (India Ltd.)	4.69	0.00	8.21	0.00	15.00	0.00
12.	Bird Group of Companies	5.95	5.95	0.00	0.00	0.00	0.00
13.	The Iron & Steel Mission	0.00	0.00	0.00	0.00	5.00	0.00
	Total: Ministry of Steel	3201.93	323.05	3104.56	225.50	3251.41	13.20

Revival of Steel Demand

599. DR. MANMOHAN SINGH: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the demand for steel recently has shown signs of sluggishness;

(b) if so, what are the reasons therefor; and

(c) what measures are being taken by Government to revive steel demand?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA) (a) Yes, Sir.

(b) and (c) The demand for steel, being derived demand, is dependent upon the growth of the economy in general and growth of industrial production and infrastructure sector in particular. In order to stimulate the demand for steel it is essential to stimulate growth of these sectors and to tap market ngments not yet fully exploited.

The overall economic growth and emphasis on infrastructure development during 1997-98 may step up steel consumption in the country.

To promote consumption of steel in the construction industry and to tap the vast rural markets, an institute named "Institute for Steel Development and Growth" has been incorporated as a scoiety on 26.8.1996 at Calcutta under the presidentship of Chairman, Steel Authority of India Ltd. (SAIL). The Institute has the objective of promoting steel usage in the country by providing better value to the consumers through continual research and design, brining awareness and by providing effective and efficient alternatives to the existing practices.

SAIL, the largest producer of steel in the country, has created a Segment Development Cell to promote use of steel in agricultural segment. The cell would concentrate on prqfluct development as also application engineering and marketing aspects for this sector.

Slow down in the steel sector

600. SHRI KRISHNA KUMAR BIRLA: Will the Minister of STEEL.be pleased to state:

(a) whether the SAIL Chairman has recently blamed optimistic projections by Government and financial institutions for the slow down in the steel sector;

(b) if so, the facts and details thereof;

(c) whether the losses of SAIL have increased during the past few months also;

(d) if so, the reasons therefor; and

(e) the corrective measures taken to imake SAIL a profitable one?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA) (a) and (b) SAIL ,is operating in a competitive environment wherein the performance of a competing unit, interalia depends upon the demand and supply scenario. Lower growth rate in consumption of steel vis-a-vis production during 1996-97 and sluggish market conditions affected the entire steel industry.

(c) to (e) SAIL consolidates its financial results on half yearly and annual basis. Hence, profit position will be known after expiry of six months/year of the current financial year.

SAIL has been making profits consistently for the last more than 10 years.

SAIL is taking steps on a continuous basis to improve its performance, which include modernisation and technological upgradation of its plants, improving techno-economic factors i.e. reduction in icoke rate, energy consumption, metallic input, improvement in yield, extensive customer contact, market oriented product-mix, improvement in quality, long term relationship with customers, leadership in service and customer satisfaction, strict control and monitoring of operating costs, higher productivity and greater autonomy to field officers, etc.

Steel production in public and private sector

601. DR. MOHAN BABU: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the steel production both in the public as well as private sector has suffered a set-back in 1996-97 as compared to 1995-96;

(b) if so, the production and profits of the public sector and private sector steel giants during each of these years; and

(c) the steps being taken to remove the hurdles being faced by the steel sector?